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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

FOURTH COUNTRY PROGRAMME FOR MOZAMBIQUE

Programme period	Resources	$
1993-1997	Net IPF	90 467 000
	Estimated cost-sharing	4 628 000
	Total	95 095 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Following the peace agreement of October 1992 that ended more than a decade of civil war, Mozambique faces the challenging transition from a centrally planned war economy to a market-based peace economy. Existing constraints, notably the acute shortage of skilled manpower, have been exacerbated by additional, immediate needs as the country moves towards democratization and reconstruction, including reintegration of demobilized troops (about 107,000), displaced persons (nearly 4 million) and refugees (about 1.5 million). The Government has requested the United Nations system to play a leading role in the preparation and verification of elections, peace-keeping and humanitarian assistance.

2. Mozambique is one of the poorest countries in the world with a gross domestic product (GDP) per capita of about $80. Approximately 60 per cent of its population of 16.6 million lives in absolute poverty. According to the UNDP Human Development Report 1992, Mozambique ranks 146th out of 160 countries on the human development index. The adult literacy rate, estimated at 33 per cent, is among the lowest in Africa (males, 45 per cent, females, 21 per cent). Life expectancy is around 47 years for men and 49 years for women. The infant mortality rate is 173 per 1,000 live births and the under-five mortality rate is 297 per 1,000 live births. Given high fertility, the current annual population growth rate (2.6 per cent) is likely to rise as mortality falls after the cease-fire. Only 24 per cent of the population has access to safe water. There is one doctor for every 43,700 persons. Women comprise 60 per cent of the labour force in agriculture and the majority of refugees.

3. The sharp deterioration in economic performance from 1980 to 1986 (real GDP fell by 21 per cent and commodity exports by 72 per cent), led to the introduction of economic reforms, culminating in 1987 in the World Bank/International Monetary Fund (IMF)-supported Economic Rehabilitation Programme (ERP). The ERP was converted into the Economic and Social Rehabilitation Programme (ESRP) in 1989 to ensure greater emphasis on alleviating poverty arising from the severe impact of stabilization on vulnerable social groups. Real GDP growth averaged 5.2 per cent between 1987 and 1989, spurred by increased agricultural production and light manufacturing activity. However, the war (frequent sabotage of power lines, strikes, shortfalls in external assistance, delays in food-aid arrivals), compounded by the most severe drought in decades, caused real GDP growth to average only 0.9 per cent in the 1990-1992 period. As a consequence, real GDP and consumption per capita have declined.

4. Regional integration, a dynamic factor in Mozambique's economic recovery, will be given new impetus by the Southern African Development Coordination Conference (SADCC) decision to incorporate a democratic South Africa within a new Southern African Development Community (SADC). While the pace of political change in South Africa is difficult to predict, the impact of its $100 billion economy on Southern Africa (with a combined GDP that barely reaches $30 billion) will be profound.

B. National development objectives and strategies

5. The ESRP provides the framework for national development strategies. Government strategy regarding post-war reconstruction, reintegration of demobilized troops and war-wounded and resettlement of returnees, refugees and displaced persons is to be expressed in a National Reconstruction Plan (PRN), which is expected to be closely integrated with such ongoing programmes as the ESRP, the Priority District Programme and the Emergency Programme. The PRN is intended to revitalize Mozambique's social and economic life in the post-war period by ensuring successful transition from emergency to rehabilitation and longer-term development. Development objectives in the ongoing ESRP are to: alleviate poverty by restoring minimum acceptable levels of consumption and income for all sections of the population; reduce the imbalance on internal and external accounts; establish an economic environment conducive to economic growth; reduce the most serious instances of poverty; and strengthen management capacity of the civil service.

6. In the short term special measures are required to tackle the extent of Mozambique's poverty and the effects of war and drought, compounded by the substantial post-war reconstruction needs. The Government has developed a four-pronged poverty alleviation strategy to: (a) foster employment and income-generating opportunities for the poorest; (b) improve the delivery of basic health and education services to the poor; (c) rehabilitate basic economic infrastructure to restore rural production and trade; and (d) provide a minimum-income "safety net", through emergency food aid in rural areas and through subsidized basic food stuffs, direct income transfers to the poorest and targeted rations in urban areas.

7. Mozambique's principal economic management tools, the rolling Triennial Public Investment and Financial Plans, assist the Government in prioritizing competing demands on scarce resources in line with development goals and absorptive capacity. In the 1992-1994 Triennial Public Investment Plan, over one third of investment was targeted at rural areas, as compared with 15 per cent in the 1991-1993 programme. Reconstruction and population resettlement will require greater attention to small, locally identified projects which support rural areas and promote grass-roots participation in the development process. A larger share of public expenditure is also being allocated to education and health.

8. The Government plans to launch a long-term capacity-building programme and is studying proposals for administrative reform, including progressive decentralization of decision-making and resources aimed at increasing efficiency and popular participation.

II. EXTERNAL COOPERATION

A. Role of external cooperation

9. According to the UNDP Development Cooperation Report, disbursed development assistance, including humanitarian aid and relief, totalled $1,118,000 in 1990, equivalent to nearly 78 per cent of GDP and four times the value of government revenues. During the 1988-1990 period, there were 6 non-United Nations

multilateral agencies, 26 United Nations agencies, 44 bilateral donors and agencies representing 35 countries and 143 non-governmental organizations (NGOs) from 23 countries active in Mozambique. Bilateral donors provided 72 per cent of reported external assistance in 1990, the remainder being provided by non-United Nations multilateral organizations (11 per cent), the United Nations system (11 per cent) and NGOs (6 per cent). Within the United Nations system, the leading donor was the World Bank (53 per cent of United Nations system disbursements), followed by the World Food Programme (WFP) (14 per cent), UNDP (13 per cent), the IMF (10 per cent) and the United Nations Children's Fund (UNICEF) (4 per cent).

10. A broad sectoral classification in 1990 revealed that 69 per cent of external assistance supported the economic sectors and 31 per cent the social sectors. Five leading sectors accounted for 71 per cent of total disbursements: industry (18 per cent); humanitarian aid (16 per cent); international trade (15 per cent); agriculture (13 per cent); and transport (10 per cent). Free-standing technical cooperation accounted for 16 per cent and investment-related technical cooperation a further 8 per cent of total disbursements in 1990. Disbursements of free-standing technical cooperation were highest in human resources (28 per cent) and transport (23 per cent), whereas disbursements of investment-related technical cooperation were highest in the international trade, industry, transport and communications sectors.

11. The social sectors received 95 per cent of NGO disbursements (31 per cent for all donors), the most important subsector being humanitarian aid, which accounted for 72 per cent of total NGO-funded external assistance.

B. Coordination arrangements

12. In 1989 the Government introduced a National System for International Cooperation, which established the Ministry of Cooperation as the institution responsible for aid coordination, in collaboration with the Ministry of Foreign Affairs, the National Planning Commission, the Ministry of Finance and the Bank of Mozambique. International assistance is coordinated through three planning mechanisms: the Triennial Public Investment Plan (National Planning Commission); Triennial Public Financial Plan (Ministry of Finance); and the national technical cooperation assessment and programmes (NATCAP)-sponsored National Technical Cooperation Programme (Ministry of Cooperation). The Government is engaged in the process of gradually integrating these planning instruments. UNDP technical cooperation personnel have played a key role in the development of such planning and aid-coordination tools.

13. Mozambique's Emergency Programme is coordinated by the National Executive Committee for Emergency (CENE), chaired by the Minister of Cooperation, under the guidance of the Coordinating Council for the Prevention and Combat of Natural Calamities. An Emergency Operations Committee (comprising representatives from the Government, bilateral donors, NGOs and the United Nations system) meets regularly to coordinate donor inputs to the programme and the UNDP resident representative has been appointed United Nations Special Coordinator for Emergency and Relief Operations (UNSCERO). Following the Peace Agreement and the approval of the United Nations Operations in Mozambique (ONUMOZ) by the Security Council, the responsibility for coordinating the United

Nations system's humanitarian assistance is now entrusted to the United Nations Office for Humanitarian Assistance Coordination (UNOHAC), one of the four divisions of ONUMOZ, under the leadership of the Special Representative of the Secretary-General. UNDP is contributing to UNOHAC through the secondment of experienced professional staff.

14. Mozambique has selected the Consultative Group arrangement, under World Bank leadership. UNDP support is requested to strengthen government capacity to negotiate and manage programme assistance through in-country donor working groups, including those which have already been established to coordinate cooperation at macroeconomic, sectoral and thematic levels (such as women in development).

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

15. Both a mid-term review and an in-depth evaluation of the third country programme indicated that the four objectives were valid, but they were too broad and lacked targets against which progress could be measured. Projects within each programme objective were formulated separately and failed to provide a coherent programme of interlinked actions with a strong impact. UNDP was shown to have comparative advantage in: (a) provision of neutral and non-conditional assistance to key economic management areas; (b) formulation of subsectoral national programmes (such as the feeder road and low-cost sanitation programmes) with core management units; (c) promotion of environmental issues; (d) coordination of technical cooperation to support the Emergency Programme (including selective use of indicative planning figure (IPF) seed money to mobilize additional resources to strengthen capacity to manage the emergency in the provinces; and (e) provision of cost-effective technical cooperation (United Nations volunteers (UNV), National Professional Project Personnel and "cooperantes" (United Nations foreign technical personnel directly hired by the Government and financed by untied donor contributions).

16. War was the most important constraint to implementation: field activities were confined to areas around the provincial capitals; insecurity made travel by air mandatory in rural areas; and communications were disrupted. Furthermore, there is a severe shortage of skills at all levels. Only 3,000 Mozambicans are university graduates (out of 16.6 million persons), under 15 per cent of senior civil servants are graduates and one third have only a primary education.

B. Proposals for UNDP cooperation

1. Preparatory process

17. Due to the rapidly changing economic and political situation in Mozambique, the third country programme was extended by one year. In anticipation of a more stable situation, UNDP prepared an advisory note for a fourth country programme based on: the mid-term review of the third programme, the results of 25 evaluation missions and an analysis of government strategies and policies. The fourth country programme proposal was based on extensive consultations

between the Ministry of Cooperation and UNDP and with various technical ministries and relevant institutions.

18. These consultations took place in a climate of continuing uncertainty about the conclusion of the war. Moreover, the Government was seeking to integrate emergency, rehabilitation and development activities, thereby strengthening its control of resources and ensuring that emergency interventions contributed to sustainable development. In this context, UNDP support to CENE, as well as to the provincial emergency commissions, would continue both directly, and using trust fund financing. IPF funds would also be used as seed money to mobilize donor resources for such post-war interventions of immediate impact as resettlement of displaced persons, refugees and demobilized military and support to the democratization process, particularly assistance to the National Electoral Commission. For example, the European Economic Community (EEC) and the Governments of Italy and Switzerland are likely to support demobilization. Most leading donors are expected to participate in supporting the electoral process (under United Nations coordination and supervision). Democratization and legal system reforms are to be supported by the Governments of Belgium, France, Germany, Italy, the Netherlands, Portugal, Switzerland and the United Kingdom of Great Britain and Northern Ireland. Other support will come from the Canadian International Development Agency (CIDA), the Danish International Development Agency (DANIDA), the EEC, the Norwegian Agency for International Development (NORAD), the Swedish International Development Authority (SIDA), the United States Agency for International Development (USAID), the Friedrich Ebert Foundation and the World Bank. Following conclusion of the December 1992 Consultative Group meeting and a donors' conference in Rome, 15-16 December 1992, joint review and restructuring by the donor community of the modalities of assistance may be required based on newly formulated action plans. Therefore, a serious attempt was made in designing the country programme to maintain a considerable degree of flexibility to respond to urgent needs that will be identified during the transition period.

2. Strategy of UNDP cooperation

19. Based on experience gained from implementing the third country programme, the Government, with UNDP support for national capacity-building, will apply the programme approach to formulating multi-donor programmes; prepare an action programme to support nationally executed projects and programmes; address the logistic and administrative problems of decentralizing projects to the provinces; and assess the absorptive capacity of government institutions more carefully during the formulation of programmes.

20. Given the urgent need for capacity-building, particularly in the post-war period, and bearing in mind other donor activity in Mozambique, the Government aims to maximize UNDP relatively modest resources by targeting them at: (a) policy formulation and resource mobilization; (b) improved decision-making, consultation and popular participation in the context of a market-oriented economy, decentralization and democratization; and (c) the integration of short-term humanitarian aid with longer-term sustainable development needs.

21. The NATCAP process, through the refined three-year technical cooperation programme, will serve increasingly as the mechanism for negotiating, programming

and managing technical cooperation in relation to the country's development strategy and priority needs. The Government will also use the programme approach to place the ownership and responsibility for the development process firmly with the national authorities; to ensure linkages between programmes and projects with common goals; and to encourage coordination within as well as among the various levels of government.

22. Given Mozambique's development problems, compounded by the challenges of reconstruction and democratization, UNDP support to multisectoral capacity-building will be focused on: (a) poverty alleviation, human development and gender issues; (b) decentralization of government decision-making and programme execution; (c) participation by beneficiaries of public services in defining policies, strategies and plans to avoid top-down, bureaucratic solutions to development problems; (d) population issues, in close collaboration with the United Nations Population Fund (UNFPA); and (e) assessment of the environmental impact of development actions, in addition to the specific environmental activities outlined below. Moreover, the Government recognizes that there is a need to develop specific policies to guarantee the constitutional rights of women and strengthen their role in decision-making. A joint Gender in Development Programme/United Nations Development Fund for Women (UNIFEM) mission has been proposed to review these issues with the Government, UNFPA and other donors in order to prepare specific activities and integrate women's issues into existing programmes.

23. The fourth country programme will be implemented against a background of changing political and economic dynamics in Southern Africa. The Government seeks UNDP support to forge stronger links with such regional institutions as SADC; to build practical linkages between Mozambique and its neighbours by strengthening the national focal point for technical cooperation among developing countries (TCDC) and using regional expertise in its projects; and to involve Mozambique fully in the initiatives of the UNDP fifth regional programme for Africa, particularly in the sub-areas of agriculture/food self-sufficiency and security, trade and finance, transport and communication, strategic planning, natural resources and the environment, the human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) and women in development.

24. In view of the rapid political and economic changes that are likely to occur following the signature of the peace agreement, resources must be programmed flexibly. At this stage, only activities to be initiated during the first two years of the five-year cycle will be programmed. Allocation of funds to areas of concentration for the remaining years will remain flexible. The programme approach will provide the framework for external assistance to key sectors where the human resource base and adopted policies and strategies make it feasible to support formulation or execution of national pre-programme activities or programmes in the form of two-year preparatory programmes, which will be followed by full-fledged programmes for the remaining programme period.

25. Through annual reviews and an in-depth assessment of the programme no later than mid-1994, the Government and UNDP will ensure that the programme remains relevant and responsive to the changing political and socio-economic environment.

3. Proposed UNDP cooperation in selected areas of concentration

26. The fourth country programme is targeted at strengthening national institutional and human capacities and at mobilizing additional funding from the rest of the donor community, through catalytic and core management activities. The Government will target three areas of concentration in the fourth country programme: poverty alleviation and post-war rehabilitation; economic and financial management; and environment and natural resources management. Indicative IPF/cost-sharing by area of concentration will be 50 per cent, 15 per cent and 9 per cent respectively. A 26 per cent unprogrammed reserve will be maintained.

Poverty alleviation and post-war rehabilitation

27. National development objectives. Poverty alleviation is the main objective of UNDP support, to be provided in line with the Government's four core strategies for poverty alleviation. Recovery of rural production through increased productivity of individual and small-scale agricultural producers (about 60 per cent women) is the linchpin of the Government's poverty alleviation strategy. Not only is agricultural production the main engine of GDP growth, providing greater food security and possible surpluses for trading; it will also facilitate the resettlement and reintegration of the demobilized, displaced and refugee groups.

28. Proposed UNDP cooperation. To restore rural production, a pre-programme was formulated by the Government, with support from UNDP and the Food and Agriculture Organization of the United Nations (FAO), targeted at developing the family farm sector. It is also designed to assist the Government to develop and refine its "National Family Sector Agricultural Development Programme" and strengthen provincial and district capacity to deliver demand-driven technology and agricultural support services. Specifically, UNDP support will be used to: (a) apply a participatory approach, integrating on-farm research, extension and training and stimulating increased food-crop production; (b) develop a decentralized agricultural statistics system for the collection, analysis and processing of information needed for policy formulation and planning; (c) build capacity at provincial, district and community levels for the formulation and execution of participatory and sustainable agriculture land-use plans; (d) harmonize donor inputs; and (e) develop a mechanism for donor support to the Government to decentralize trained staff to the provinces and mobilize the necessary donor inputs for implementation of the full programme. Policy support for rural credit and food-crop marketing, as well as for rural settlement and land tenure, is being carried out by FAO using technical support services (TSS-1) financing. UNIFEM is funding a special project for rural women and UNDP and FAO are strengthening extension services for women.

29. Rehabilitation of the rural distribution and marketing network will be vital if families are to respond adequately to the incentives introduced through price reform and the provision of improved agricultural services. The successful "Feeder Road Programme" will be central to all post-war resettlement and reconstruction. Its labour-intensive approach, with a food-for-work component (generating employment and providing income to the poorest groups) addresses the immediate need for relief assistance while facilitating longer-term growth. UNDP, the International Labour Organization (ILO) and WFP

will continue to support the programme through the provision of technical cooperation to the core management unit and the regional/provincial brigades. The programme will cover 22 of the 40 priority districts during its first phase; coverage of additional priority districts is planned for a second phase. The United Nations Capital Development Fund (UNCDF) will support road rehabilitation activities in the Zambezia and Nampula provinces.

30. In the area of social services, the Government recognizes that education and health are essential to a comprehensive programme of poverty alleviation. In targeting its limited budget resources at the most needy, it will call upon UNDP and UNICEF to support the Government's Social Action Programme and promote a common approach to human development issues jointly with other United Nations agencies.

31. UNDP will support education, health, sanitation and water supply. Within the framework of the Government's education programme (supported by SIDA, the World Bank and UNDP), UNDP support will be used to improve the quality of primary school education, strengthen management capacity and support investment in, and maintenance of, education infrastructure through the provision of cost-effective technical cooperation personnel. To develop a United Nations system approach to "education for all", a joint United Nations Educational, Scientific and Cultural Organization (UNESCO)/UNDP/UNICEF sectoral study (with inputs from UNFPA, WFP and the World Bank) is designed to indicate policy measures on curriculum content, education structures, social impact and sustainability. Given the role of other donors in the health sector, UNDP support will be targeted at: health management training; the "Malaria Control Programme"; cost-effective ways of extending coverage of AIDS messages and analysing the long-term impact on the country's socio-economic development; extending the successful multidonor "Low-Cost Sanitation Programme" nationwide (generating employment as a spin-off); and the Government's "Rural Water-Supply Programme", providing, with UNICEF and UNCDF, modest but cost-effective technical cooperation to provincial programmes in the Nampula and Niassa provinces.

32. In the areas of employment, income generation and shelter, the Government is seeking support from UNDP and others to generate employment in the short term by way of a broad-based multisectoral programme to address the principal constraints in small-scale industry, micro-enterprise and the informal sector and to formulate an overall employment-generation strategy. A multi-agency mission will assist the Government to: develop a pre-programme which will create an enabling environment by, inter alia, providing vocational training and credit; formulate employment policy; and identify business opportunities. The mission will also examine employment and entrepreneurial options for reintegrating specific returnee groups and demobilized troops, as well as labour-intensive public works. In the context of support to the Government to develop a national "Urban Development and Housing Programme", special attention will be given to employment generation in urban works and to the participation of women in the formulation of urban development and housing strategies. This will be done through community group formation, household surveys, promotion of gender awareness in access to housing construction activities and use of appropriate materials and technology in construction.

33. Expected impact of UNDP cooperation. Although the particular situation of Mozambique makes it difficult to quantify precisely the impact of UNDP support

in this area, a measurable increase should occur in donor support to national programmes. In relation to restoring rural production, it is expected that UNDP support will contribute to: the adoption of a national "Family Sector Agricultural Programme"; creation of a sustainable human resources base for programme execution and field implementation through training of a minimum of 41 nationals (post-graduate and diploma courses); a measurable rise in food-crop production capacity of 55,000 small farm producers; and improved crop marketing and rural development resulting from increased access to rural areas through the rehabilitation of about 500 kilometres of feeder roads yearly.

34. In the social sectors, UNDP support is likely to help increase the number and geographic coverage of beneficiaries reached by Social Action Programme integrated activities; increase the number of students, teachers and classrooms; improve teacher qualifications and curricula in primary education, resulting in a rise in the literacy rate; increase the number of trained staff leading to improvement of the health management system; increase the number of beneficiaries covered by the water supply and sanitation programme; and expand geographic coverage of malaria-control programmes.

35. In relation to employment, income generation and shelter, results may include increased levels of productivity and output and employment opportunities for the poor as a result of improved access to credit for small-scale and micro-enterprises and for entrepreneurs in the informal sector; identification of new business opportunities; training in vocational and entrepreneurial skills targeted at unemployed members of poor households; and adoption of a "National Urban Development and Housing Programme" and implementation of operational master plans for 10 cities.

36. Complementary assistance. UNICEF, UNIFEM, FAO, the International Fund for Agricultural Development (IFAD), the World Bank, UNV and WFP support is expected for rural integrated development, women in development, agricultural rehabilitation and the feeder road programme. Other closely linked donors are SIDA, DANIDA, USAID and the EEC. UNICEF, WHO, UNCDF and UNFPA support is expected in health and social programmes; UNICEF, UNCDF and UNV support water supply and sanitation programmes (UNICEF is the lead donor in rural water development) and the World Bank, UNICEF, UNESCO and UNFPA support education. Other principal donors in the field are the Government of the Netherlands, via UNDP trust funds, the EEC, the Government of Italy and SIDA. As regards income and employment, UNCDF, ILO, the World Bank and the EEC contribute to grass-roots and micro-project development funds. The World Bank and WFP contribute to urban rehabilitation and development projects.

Economic and financial management

37. National development objectives. UNDP support to implementing the ESRP has consisted of capacity-building for economic policy formulation and planning, investment programming, public finance management, statistics, aid coordination, technical cooperation programming and local government management. The Government requests continued UNDP support in these fields, given its impartiality and non-conditionality. Given the broad scope and rapidity of political and economic reforms envisaged during the reconstruction period, the need for government capacity-building has increased.

38. The Government's post-war reconstruction and development strategy will call for close coordination among the ESRP, the National Reconstruction Plan and the Humanitarian Assistance Programme. There is likely to be a move towards decentralization of decision-making and economic and financial management functions to the appropriate subnational levels. This will, in turn, require continued strengthening of managerial and planning capabilities, not only of key central economic institutions, but especially of provincial and district administrations. Aid coordination needs to be reinforced in support of government efforts to carry out programmes on multiple fronts; fund a system of public pay and incentives to recruit and retain qualified civil servants; use more national expertise; and ensure that external aid is more rapidly and efficiently used.

39. Proposed UNDP cooperation. For consistency between stabilization and structural reforms, post-war reconstruction, humanitarian and emergency assistance, democratization and decentralization, the Government will target UNDP support at strengthening its management and technical capacity at the central and provincial levels. This will include: economic policy design and monitoring (notably of the ESRP); economic and social planning for a peace-time, market-based economy, with greater decentralization, particularly investment programming and reconstruction planning; fiscal policy and budgeting; and humanitarian assistance management. The Government will continue to seek UNDP support in aid coordination, technical cooperation programming (the NATCAP process) and other capacity-building initiatives. In the framework of decentralization, particular emphasis will also be placed on two of the Governing Council's thematic areas of focus: management development and grass-roots participation, particularly of women.

40. Economic and financial management. Since 1986, several donors (notably UNDP, the World Bank, the IMF and the Government of Sweden) have provided technical cooperation to core economic management institutions (National Planning Commission, Ministry of Finance, Ministry of Cooperation and Bank of Mozambique). In view of the acute shortage of qualified national personnel and the current transitional process, the Government recognizes the need for continued support to these institutions. It also recognizes the need for a more comprehensive and coordinated approach, given the high cost and complexity of technical cooperation needs (support to the design, implementation and monitoring of the ESRP, reconstruction and development planning at the national and provincial level, public investment programming, public finance and aid coordination). Based on the outcome of the UNDP-sponsored 1992 inter-agency programming mission (including representatives of the IMF, SIDA and the World Bank), the Government will call upon UNDP for assistance in formulating a multi-donor-funded economic management capacity-building programme. Meanwhile, UNDP will provide support through bridging project extensions covering continued assistance in the critical areas of statistics, economic policy formulation, planning and public investment programming and budgeting.

41. The Government also seeks UNDP support in the preparation of strategic studies and programmes in other areas where UNDP has a comparative advantage, including women in development and regional cooperation.

42. The Government recognizes the need for a more responsive and participatory approach to strengthen local and provincial structures. This will require

strengthening of both central and local administrations to address community development needs; to cope with decentralization and planning requirements; and to reinforce the functional linkages between government institutions at the national and sub-national levels. The UNDP Management Development Programme (MDP) is supporting the Government in formulation of a multi-donor decentralization programme: to introduce a decentralized planning system that creates a framework for decision-making at all levels, including popular participation; to establish a decentralized and vertically integrated system for public management training at the lower, medium and higher education levels; and to build a national capacity for carrying out organizational improvements.

43. Cutting across the economic management and decentralization programmes, the UNDP-led initiative, "Provincial Development Planning Project", aims: to bridge gaps between planning methodologies at national, provincial and district levels and between sectors; to continue UNDP support to post-war reconstruction planning, thereby integrating rehabilitation within the development planning process; to foster close collaboration between humanitarian relief/emergency and development activities at the operational level; and to contribute to the process of incorporating community participation in development planning.

44. Community initiatives require new, flexible funding mechanisms for small-scale projects, including the experimental UNDP/UNCDF mechanism using government, NGO and religious networks to channel financial resources into grass-roots initiatives. Over the last two years a large number of Mozambican NGOs have been established, both at the national and provincial level. Support is sought for NGO initiatives to enhance collaboration and networking through such joint activities as study tours, workshops, seminars and service support.

45. Expected impact of UNDP cooperation. Indicative targets, which include a measurable increase in donor support to the national programmes, are: increased integration of government policies and programmes; progressive and coordinated introduction of decentralization measures within a comprehensive framework of consistent and focused Government/donor initiatives; increased absorptive capacity at the central and provincial levels through improved technical and managerial skills; increased availability of national staff capable of sustaining programme activities on a long-term basis; and improved ability to maintain recurrent expenditures resulting from programme activities.

46. In the area of economic and financial management, planning and policy formulation, assistance from IMF, SIDA and the World will support an economic management capacity-building programme, with possible additional funding from the Governments of France and Italy, the German Agency for Technical Cooperation (GTZ) (budget revenue, statistical information system and aid management), and the EEC. For demographic surveying, possible assistance will be provided by UNFPA/UNV and the World Bank. For strengthening of local and provincial structures, possible funding will be available from the EEC, GTZ, the Government of Italy, NORAD, SIDA, USAID and the World Bank, in its "Programme of Support to Decentralization", under preparation. Parallel funding from GTZ and possible cost-sharing from NORAD and the EEC in provincial development planning is also expected.

Environment and natural resources management

47. National development objectives. Although Mozambique has abundant undeveloped natural resources, some areas of the country are already suffering severe environmental degradation from the concentration of large numbers of displaced persons around major cities, along transport corridors and in the coastal strip. With the signature of the peace agreement and the resettlement of millions of persons, there is a need to set in place a policy for sustainable development and strategies for natural resource management.

48. Proposed UNDP cooperation. A key component of assistance requested from UNDP and the United Nations Environment Programme (UNEP) will be policy and programme development, through continued support to the National Environment Commission at the central and provincial levels. This subprogramme will (a) assist the Government in institution- and capacity-building; (b) improve inter-agency cooperation through the creation of an overall environment policy and legislative framework; and (c) in collaboration with the World Bank, support the Government in preparing a "National Environment Management Plan".

49. In the area of forests and wildlands, the "Pre-programme for Management of Forest and Wildlands Resources", in preparation with UNDP assistance, will pave the way for developing a full national programme covering cost-effective ways of making forest and renewable wilderness resource inventories; developing management systems for the diversified use of resources; and introducing sustainable approaches to resource use, management and conservation, involving rural populations in decision-making. Given the importance of national parks to the tourist industry before the war, their revitalization will be linked to the Global Environment Facility (GEF)-supported "Trans-National Parks Programme".

50. Water resources management requires UNDP support in order to complete, promote and implement water legislation throughout the country; strengthen regional and provincial water management institutions; coordinate efforts to alleviate poverty through small-scale, water-related projects; and support sectoral planning and water quality monitoring.

51. There is mounting concern over possible depletion of fisheries, a major foreign exchange earner. The Government has a Master Plan for Fisheries and seeks UNDP support for a pre-programme targeted at capacity-building in fisheries resources management, aid coordination and advisory services; continued support to fish inspection and quality control; maintenance, rehabilitation and construction of fisheries infrastructure; promotion of shrimp culture; and assistance to the development of inland fisheries.

52. Expected impact of UNDP cooperation. The expected impact includes measurable increases in donor support to the national programmes as well as adoption of a national policy and a comprehensive framework for environmental legislation; a human resources base for environment management at central and provincial levels; creation of necessary technical capacity for environmental impact assessment; formulation and implementation of a "National Programme for Forestry/Wildlands Management"; improved water resource management and measurable improvements in crop production; adoption of a "Fisheries Development Programme" in line with the Government Master Plan; creation of a nationwide fish-inspection service; final appraisal of the economic and financial

feasibility of shrimp farming; improved government capacity to coordinate external assistance and to carry out sectoral policy analysis and planning; a measurable rise in earnings from the fisheries sector; and improved conditions for fishermen and related sector workers.

53. Complementary assistance. In the area of policy and programme development, complementary assistance is expected from the World Bank and UNEP, for the "National Environment Management Plan", and from SIDA and NORAD, for training and decentralization. For natural resources management, complementary assistance is anticipated from GEF and possibly the EEC and the Finnish International Development Agency (FINNIDA) for the forestry and wildlands sector. For activities in the water supply sector, UNICEF, the African Development Bank (AfDB), the Governments of France and the Netherlands and the EEC are expected to support water resource development and management and environmental impact studies. In fisheries, DANIDA, the EEC, FAO, NORAD and the Governments of France, Japan and the United Kingdom are expected to contribute.

C. Implementation and management arrangements

54. The Government has demonstrated commitment to a programme approach. Programmes and pre-programmes already prepared or under preparation will serve as the basis of United Nations system collaboration and a means of mobilizing donor cost-sharing and parallel financing. In many instances UNDP is asked to finance core components alone - mostly at the policy and programme formulation stages - following which the Government will seek third-party funding for programme implementation.

55. Given problems in decentralizing activities to the provinces, the management, monitoring and implementation capacities of counterpart government institutions and the UNDP field office must be strengthened by logistic support mechanisms, including a unit for procurement of goods and services.

56. Over the past five years the proportion of IPF and add-on funded projects executed by national institutions has increased from 7 per cent to 12 per cent. This trend is expected to continue during the fourth country programme. In order to build capacity in support of national execution, the Government will establish a national execution support unit in the Ministry of Cooperation and programme management units in the relevant line ministries.

57. Based on positive experiences with cost-effective technical cooperation modalities during the third country programme, the Government will extend the use of UNV specialists, "cooperantes", TCDC and regional and national expertise whenever available. In the case of the growing private sector, the use of United Nations International Short-Term Advisory Resources (UNISTAR) will be explored.

58. The Government will require UNDP support in the overall monitoring and evaluation of the programme, including assessment of the impact of multi-donor contributions on achievement of national programme targets.

59. The country programme will be implemented flexibly to respond to Mozambique's rapidly changing political and socio-economic situation. Programme

components will be subject to annual tripartite reviews and the country programme will undergo an in-depth review by mid-1994 to test its continued validity in the context of the changing circumstances in the country.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	(2 696)	
Fifth cycle IPF	92 969	
Expenditure 1992	(18 400)	
Estimated IPF for 1997	16 594	
Subtotal IPF		90 467
Project cost-sharing (Government)	4 490	
Project cost-sharing (third party)	138	
Programme cost-sharing	-	
Subtotal cost-sharing		4 628
TOTAL		95 095

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	Thousands of dollars			Percentage of total resources
	IPF	Cost-sharing	Total	
POVERTY ALLEVIATION AND POST-WAR REHABILITATION	45 234	3 661	48 895	50.0
ECONOMIC AND FINANCIAL MANAGEMENT	13 932	-	13 932	15.4
ENVIRONMENTAL AND NATURAL RESOURCES MANAGEMENT	8 059	967	9 026	8.91
Subtotal	67 225	4 628	71 853	
Unprogrammed reserve	23 242	-	23 242	25.68
TOTAL	90 467	4 628	95 095	100.0

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A.	UNDP-administered funds		
	SPR	553	
	UNCDF	13 849	
	UNEOTF	3 664	
	UNSO	-	
	UNIFEM	388	
	UNRFNRE	-	
	UNFSTD	-	
	Global Environment Facility	5 400	-
	Subtotal		23 854
B.	Other United Nations resources		
	JCGP participating agencies		
	UNFPA	4 568	
	UNICEF	-	
	WFP	93 827	
	IFAD	5 700	
	FAO/TCP	2 336	
	Other United Nations agencies (non-UNDP financed)	-	
	Subtotal		111 831
	Total non-core and other United Nations resources		135 685
C.	Non-United Nations resources		127 970
	TOTAL		263 655

Annex II

PROGRAMME MATRIX a/

Area of concentration	Area of focus					
	Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. POVERTY ALLEVIATION AND POST-WAR REHABILITATION						
Restoring rural production	*	*	*	*	*	*
Humanitarian assistance	*		*			*
Social services	*	*	*		*	*
Employment, income generation and shelter	*		*	*	*	*
II. ECONOMIC AND FINANCIAL MANAGEMENT						
Socio-economic and financial management and planning and policy formation	*		*	*		
Strengthening of local and provincial structures	*	*	*			*
III. ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT						
Policy and programme development		*	*			
Natural resources management	*	*	*	*	*	*

a/ Asterisks indicate major linkage only.